



February 20, 2007

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## HOUSE BILL No. 1753

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DIGEST OF HB 1753 (Updated February 20, 2007 11:24 am - DI 114)

**Citations Affected:** IC 5-20; IC 24-9.

**Synopsis:** Mortgage foreclosure counseling. Requires the Indiana housing and community development authority (authority) to establish a program to provide free mortgage foreclosure counseling and education to homeowners who have defaulted on or are in danger of defaulting on the mortgages on their homes. Provides that the program must include a central toll free telephone number that homeowners may call to receive mortgage foreclosure counseling and education. Authorizes the authority to award grants for the training of counselors who will provide mortgage foreclosure counseling and education. Provides that the authority may establish standards for the certification of counselors. Establishes the foreclosure prevention counseling and assistance fund for purposes of carrying out the authority's powers and duties under the program. Provides that \$1.00 of the mortgage recording fee shall be distributed to the fund, and \$0.25 shall be distributed to the state general fund (under current law \$1.25 of this fee is distributed to the state general fund). Specifies that money in the fund is appropriated continuously to the authority for the authority's use in carrying out the program. Provides that the authority may solicit contributions and grants from the private sector, nonprofit entities, and the federal government to assist in carrying out the program. Requires the authority to submit a report to the legislative council annually.

**Effective:** Upon passage.

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### Summers, Burton

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January 26, 2007, read first time and referred to Committee on Family, Children and Human Affairs.  
February 15, 2007, reported — Do Pass. Recommitted to Committee on Ways and Means.  
February 20, 2007, amended, reported — Do Pass.

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HB 1753—LS 7312/DI 73+



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February 20, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## HOUSE BILL No. 1753

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 5-20-6 IS ADDED TO THE INDIANA CODE AS  
2       A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
3       PASSAGE]:

4       **Chapter 6. Foreclosure Prevention Counseling and Assistance**

5       **Sec. 1. As used in this chapter, "authority" refers to the Indiana**  
6       **housing and community development authority created by**  
7       **IC 5-20-1-3.**

8       **Sec. 2. (a) The authority shall establish a program to provide**  
9       **free mortgage foreclosure counseling and education to**  
10       **homeowners who have defaulted on or are in danger of defaulting**  
11       **on the mortgages on their homes.**

12       **(b) The authority may enter into an agreement with any public,**  
13       **private, or nonprofit entity to carry out any part of the mortgage**  
14       **foreclosure counseling and education program.**

15       **(c) The program must include a central toll free telephone**  
16       **number that homeowners may call to receive mortgage foreclosure**  
17       **counseling and education.**

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(d) The authority may award grants for the training of counselors who will provide mortgage foreclosure counseling and education.

(e) The authority may establish standards for the certification of counselors who will provide mortgage foreclosure counseling and education.

(f) The authority may expend money for the purpose of advertising the mortgage foreclosure counseling and education program and the central toll free telephone number included in the program under subsection (c).

**Sec. 3. (a)** The foreclosure prevention counseling and assistance fund is established to carry out the authority's powers and duties under this chapter.

(b) The fund shall be administered by the authority.

(c) The fund consists of the following:

(1) The part of the mortgage recording fee distributed to the fund under IC 24-9-9-4.

(2) Any money appropriated by the general assembly.

(3) Any grants, gifts, donations, bequests, devises, and contributions received by the authority to carry out the purposes of this chapter.

(d) The expenses of administering the fund shall be paid from money in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) All money accruing to the fund is appropriated continuously to the authority for the authority's use in carrying out the purposes of this chapter.

**Sec. 4.** The authority may solicit contributions and grants from the private sector, nonprofit entities, and the federal government to assist in carrying out the purposes of this chapter.

**Sec. 5. (a)** The authority shall annually submit a report to the legislative council concerning the following:

(1) The operation of the mortgage foreclosure counseling and education program.

(2) A summary of mortgage foreclosure rates and trends in Indiana and the United States.

(b) The report submitted under this section must be in an electronic format under IC 5-14-6.

SECTION 2. IC 24-9-9-4, AS AMENDED BY P.L.246-2005, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. On or before June 30 and

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1 December 31 of each year the auditor of state shall distribute:  
2 (1) one dollar ~~and twenty-five cents (\$1.25)~~ **(\$1)** of the mortgage  
3 recording fee to the **foreclosure prevention counseling and**  
4 **assistance fund established by IC 5-20-6-3;**  
5 **(2) twenty five cents (\$0.25) to the** state general fund; and  
6 **(3) one dollar and twenty-five cents (\$1.25)** of the mortgage  
7 recording fee to the homeowner protection unit account  
8 established by IC 4-6-12-9.  
9 **SECTION 3. An emergency is declared for this act.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1753, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

SUMMERS, Chair

Committee Vote: yeas 9, nays 0.

## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1753, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 2. IC 24-9-9-4, AS AMENDED BY P.L.246-2005, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. On or before June 30 and December 31 of each year the auditor of state shall distribute:

(1) one dollar ~~and twenty-five cents (\$1.25)~~ **(\$1)** of the mortgage recording fee to the **foreclosure prevention counseling and assistance fund established by IC 5-20-6-3;**

(2) **twenty five cents (\$0.25)** to the state general fund; and

(3) one dollar and twenty-five cents (\$1.25) of the mortgage recording fee to the homeowner protection unit account established by IC 4-6-12-9."

Page 2, delete lines 40 through 42.

Page 3, delete lines 1 through 6.

and when so amended that said bill do pass.

(Reference is to HB 1753 as printed February 16, 2007.)

CRAWFORD, Chair

Committee Vote: yeas 22, nays 0.

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